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Research on the Influence of the Overseas Background of the Executive Management Team on the Internationalization Performance of Chinese Enterprises

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Abstract

In the context of globalization, enterprise internationalization is crucial for growth and competitiveness, and the executive team significantly impacts a company's strategic choices and performance. This paper focuses on analyzing the influence of the overseas background of the senior management team on the internationalization performance of Chinese enterprises. By reviewing relevant literature and theories, including agency theory, upper echelons theory, and technological innovation theory, it explores the underlying mechanisms. Using data from China's A-share listed companies from 2008 to 2022, a regression equation is constructed for empirical analysis. The findings indicate that the overseas background of the management team promotes enterprise internationalization performance. Mechanistically, executives with overseas backgrounds enhance internationalization performance by increasing the degree of diversification strategy and R&D investment. In terms of enterprise scale, large-scale enterprises can better utilize the innovation and decision-making capabilities of overseas-background executives for strategic actions like exports, overseas mergers and acquisitions, and overseas factory establishment, thus improving international performance. Regarding property rights, in private enterprises, overseas-background executives can freely express opinions and address internationalization issues, reducing obstacles and enhancing performance. This research provides theoretical and practical guidance for Chinese enterprises in their internationalization efforts.

Keywords: Executive management team, International performance of enterprises, Overseas background.

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1. Introduction

In today's era of rapid development and globalization, the internationalization of enterprises has become an important way for them to gain growth and competitive advantages in the global market. As the core decision-making force within the enterprise, the executive team significantly impacts the strategic choices and performance of the enterprise. Among the many characteristics of top management teams, overseas backgrounds have received increasing attention in recent years.

Based on this, this paper aims to deeply analyze the impact of the senior management team's overseas background on the internationalization performance of Chinese enterprises. To explore the logic and influencing factors behind it, the aim is to provide theoretical support and practical guidance for Chinese enterprises to realize internationalization better. This paper first reviews the relevant research literature and theories and analyzes the literature related to "senior management team" and "internationalization performance of enterprises." Secondly, combining agency theory, high ladder theory, and technological innovation theory, this paper discusses how the executive team affects the internationalization performance of enterprises. Then, the regression equation is constructed to carry out empirical analysis based on the data of China's A-share listed companies from 2008 to 2022.

The results show that the overseas background of the management team can promote the internationalization performance of enterprises. From the perspective of the influence mechanism, executives with an overseas background can improve the internationalization performance of enterprises by enhancing the degree of diversification strategy. Executives with an overseas background can improve the internationalization performance of enterprises by increasing the investment in research and development. In terms of scale, large-scale enterprises are more able to leverage the innovation and decision-making power of overseas executives, leading enterprises to carry out a series of breakthrough strategic deployments such as exports, overseas mergers and acquisitions, and the creation of overseas factories, thereby improving international performance. From the perspective of property rights, in private enterprises, executives with an overseas background are freer to express their own views and point out the problems existing in the process of internationalization in real time, helping enterprises reduce stumbling blocks in the process of internationalization and improve their internationalization performance.

2. Literature Review

In today's surging business environment of globalization, the internationalization of enterprises has become a key path for many enterprises to seek breakthroughs and growth. As the leaders of enterprises, the senior management teams have been studied by scholars at home and abroad.

Some scholars have looked at the concept of the "executive team." The Executive Team, as defined by many management literature, usually includes senior managers from different professional fields with excellent leadership skills, such as the chief executive officer and chief financial officer [1]. Scholars have studied the important role of the executive team in enterprise development from different perspectives. Tong [1] points out that the knowledge structure of senior executives has some similarities in its impact on enterprise innovation. For example, overseas learning experiences can bring cutting-edge knowledge to senior executives, prompting them to promote enterprise technological innovation with new thinking and inject vitality into enterprise development. Tan [2] holds the same view, believing that the characteristics of the top management team will affect the overall innovation atmosphere and culture of the organization and enrich the soil for enterprise innovation Tan [2]. Radfard, et al. [3] believe that the research logic of the impact of the characteristics of the executive team on the operational decisions of enterprises can accurately judge and seize the opportunities in the operational decisions such as enterprise cooperation and competition games, thus affecting the direction of enterprises Radfard et al. [3]. Schumann et al. [4] found that the diversity of the senior management team affects financial performance and corporate performance [4].

At the same time, in today's internationalization, enterprise internationalization is also a topic that many scholars pay attention to. Enterprise internationalization refers to the process of an enterprise breaking through the constraints of its local territory and performing well on the global stage, from primary product export to intermediate overseas factory establishment to advanced cross-border mergers and acquisitions [5]. First of all, scholars have conducted research on its measurement indicators. The measurement of enterprise internationalization performance requires a combination of financial and non-financial perspectives. The financial scale includes the proportion of overseas revenue, overseas value-added rate of assets, and so on to directly reflect the profit situation; the non-financial dimension includes the rising reputation of international brands and the increasing penetration rate of emerging markets, which highlight the development potential, as shown in [1, 2]. International performance measurement should also be considered comprehensively when referring to the multi-dimensional evaluation of corporate sustainability indicators. When exploring the factors that affect the internationalization performance of enterprises, it is found that internal R&D investment is the hard power foundation of the product "going to sea"; a reasonable market entry strategy is the stepping stone to knock on the international door, and the external macro environment, such as policy wind direction and cultural barriers, are the key variables that affect the internationalization journey of enterprises.

At present, a large number of research studies at home and abroad have identified the inextricable relationship between the executive team and the internationalization performance of enterprises. Domestic and foreign scholars have analyzed and discussed this from different points of view and examined the path through which the executive team affects enterprise internationalization performance. Fu [6] believes that the factor of the senior management team can promote synergy or conflict between enterprise internationalization and R&D investment [6]. As discussed by Bushman et al. [7], the incentive differences within the management team have a similar impact on enterprise performance [7]. Just like the incentive differences, the collision of different ideas brought about by the overseas background differences of the senior management team will change the decision-making atmosphere of the team and further affect the internationalization performance of enterprises. In addition, Wood et al. [8] emphasized the role of the intellectual capital of the senior management team on organizational performance [8]. The intellectual capital accumulated by the overseas background of the senior management team, along with the knowledge and vision gained from this background, is also a potential driving force for the improvement of the international performance of enterprises, which further proves the close relationship between the two. Tongyao [9] analyzed the relationship between the degree of internationalization and the performance of automobile enterprises through the empirical study of Wanxiang Group and Geely Group, which provided empirical reference for the study of internationalization performance of enterprises in the industry and reflected the role of decision-making by the senior management team from the side [9]. When the senior management team has an overseas background, the relationship between the degree of internationalization and the performance of automobile enterprises was analyzed. It may bring different performance outcomes to automobile companies in terms of internationalization strategy formulation and market development, and help enterprises improve their internationalization performance. Yamauchi and Sato [10] believed that when studying the relationship between the characteristics of the executive team and corporate resilience, it reflects the complexity of the influence of internal and external factors on the internationalization process [10]. For example, under the cultural differences of different countries, how the executive team adjusts its strategy to ensure the international business resilience of enterprises is a problem worthy of in-depth discussion.

However, among the many approaches discussed, the international background factors of the senior management team are less discussed, but this is a very important aspect and perspective. Although research has recognized the importance of the overall quality of the executive team, the in-depth analysis of the key trait of overseas background is insufficient. In fact, the cross-cultural communication ability, familiarity with international market rules, and cutting-edge knowledge contained in the overseas background of the senior management team are closely related to the internationalization process of the enterprise. Empirical evidence shows that with the international vision and cross-cultural communication skills accumulated from overseas backgrounds, the senior management team can keenly sniff out new opportunities in the international market and tailor the internationalization strategic blueprint to meet local needs. Whether it is the accurate positioning of products in emerging markets or the efficient management of cross-cultural teams, it contributes to the improvement of the internationalization performance of enterprises. However, it should also be noted that when overseas experience and local practice are not smooth, the decision-making internal friction caused by the collision of diverse concepts may also hinder the pace of internationalization of enterprises in the short term.

Based on this and the importance of the executive team and the nationalization performance of enterprises, this paper determines the topic, which is the impact of the overseas background of the executive team on the internationalization performance of enterprises in China, and strives to delve deep into the underlying logic and illuminate a path for the internationalization of enterprises.

3. Theoretical Analysis and Hypotheses

3.1. Theoretical Analysis

3.1.1. Upper Echelons Theory

This theory is proposed by Hambrick and Mason, placing the demographic characteristics of top management teams at the core of corporate strategy and performance research [11]. According to this theory, factors such as age, educational background, and tenure of senior management team members are not simple personal labels, but key molds that profoundly shape the cognitive framework and value orientation of managers [12]. These intrinsic characteristics, like precision gears, link the strategic choices of enterprises and have a profound impact on organizational performance.

It makes sense to focus on the overseas background of the senior management team. Executives' own overseas experiences can shape their "cognitive map" and become the innovation engine of their international strategy. Taking market entry decisions as an example, traditional thinking often drives companies to cluster in hot areas, while executives with overseas backgrounds can break through conventions and accurately capture the huge potential of emerging markets with keen insights accumulated from living and studying overseas. At the marketing level, the team with outside backgrounds knows how to skillfully integrate local cultural elements, from advertising creativity and brand stories to product packaging, a full range of customization.

Therefore, from the perspective of the high ladder team theory, it is the unique cognition and decision-making of these overseas executives that drive the steady improvement of the internationalization performance of enterprises, help enterprises to emerge in the global business landscape, and gain competitive heights with a differentiation strategy.

3.1.2. Agency Theory

The theory was born on the basis of the separation of enterprise ownership and management rights, focusing on the complex contradictions between the principal and the agent due to information asymmetry and inconsistent goals [13].

When expanding overseas, the theory goes, shareholders typically expect the lucrative returns of a vast international market. However, due to the limitations of international vision, local executives are often slow to perceive opportunities in overseas markets and are prone to fear in the face of many risks in unfamiliar environments. Their decision-making strategies tend to be conservative. On the contrary, executives with overseas backgrounds are better able to grasp the hidden potential and fleeting opportunities of overseas markets. At the same time, executives with overseas backgrounds are more adept at negotiating cross-border cooperation projects; they are more familiar with local regulations and business etiquette and can accurately meet the needs and promote the successful landing of overseas investment [14]. This series of actions not only significantly reduces agency costs and avoids internal friction but also injects strong impetus into the internationalization process of enterprises, so that the interests of all parties in the collaborative endeavor towards win-win internationalization performance will be significantly improved.

3.1.3. Technical Innovation Theory

Technological innovation theory always unswervingly regards technological innovation as the source of enterprise development, and its scope is wide, covering product innovation, process optimization, management model innovation, and many other key areas [15]. In the context of fierce global competition, the overseas background of the senior management team plays an increasingly prominent strategic position in this theoretical framework.

Overseas managers, the theory goes, boost executives' knowledge. On the one hand, they introduce the international advanced research and development paradigm into the local context, breaking the long-term R&D bottleneck that shackles enterprises. On the other hand, they are adept at learning from overseas mature innovation incentive systems, igniting the spark of team creation and activating talent potential. For example, overseas experience can help the executive team introduce the project incentive model of Europe and the United States, motivating employees to work hard to solve technical problems and launch innovative products. At the same time, building an international academic exchange platform allows R&D personnel to interact with the world's top experts and broaden their horizons. In this way, the enterprise takes technology as a sword, innovation as a sail, breaks the waves in the international market, constantly expands the market share boundary, the internationalization performance is rising, and the technology trend is steadily leading the industry, becoming a force not to be underestimated in the international market.

3.2. Hypotheses

Based on the analysis above, the following hypotheses are derived:

H_1: The overseas background of the senior management team can enhance the internationalization performance of enterprises.

H_2: The overseas background of the senior management team can improve the internationalization performance of the company by enhancing the degree of diversification strategy.

H_3: The overseas background of the senior management team enhances the internationalization performance of the company by increasing investment in research and development.

4 Research Design

4.1. Sample Selection

The sample data of this paper selects the panel data of A-share listed companies from 2008 to 2022. Finally, the sample size was 39,126. The financial data in this paper comes from the Wind database.

4.2. Model Specification

According to the above analysis and the intention of this paper, the following equation is constructed:

$$FSTS_{it} = \alpha_0 + \alpha_1 Oversea_{it} + \alpha_2 Lev_{it} + \alpha_3 Lev_{it} + \alpha_4 Size_{it} + \alpha_5 ListAge_{it} = \alpha_6 Growth_{it} + \alpha_7 Dual_{it} + \mu_1 Year_t + \mu_2 \ln d_i + \varepsilon_{it} \quad (1)$$

4.3. Variables Definition

Table 1.
Variables Definition.

Type	Name	Meaning	Value
Independent variable	Oversea	The executive's overseas background	Dummy variable, assigned 1 with foreign background, 0 without
Dependent variable	FSTS	International performance of enterprises	Proportion of overseas business income to operating income
Mechanism variable	DT	Diversification strategy degree	Income drop index method
	RDratio	R&d investment	R&d investment as a percentage of revenue
Control Variable	Lev	Asset-liability ratio	Total liabilities/total assets
	Size	Enterprise scale	Ln(assets)
	ListAge	The listed years of the enterprise	LN (Current year - Listing year +1)
	Growth	Revenue growth rate	Revenue growth/Total revenue in the previous year
	Dual	Dual function	Dummy variables, chairman and general manager are the same as 1, otherwise 0

First of all, the explanatory variable was "senior executives' overseas background." The dummy variable method is used to quantify it. When there is a member with an overseas background in the executive team, the value is 1 while if all members of the executive team have no overseas background, the value is 0.

Next, the explained variable is "enterprise internationalization performance," which is measured by the proportion of overseas business income to operating income, accurately reflecting the enterprise's profit contribution in the international market. The higher the proportion of overseas business revenue, the stronger the ability of the enterprise to obtain profits in overseas markets, the more significant the international influence of the brand, and the effect of market expansion. Otherwise, it indicates that the degree of internationalization is low and overseas operations are facing challenges, which is a key indicator that directly presents the results of international operations and measures the performance level of the enterprise.

Then, here are five control variables, which are the asset-liability ratio, enterprise size, listing years, operating income growth rate, and dual occupation. The asset-liability ratio is calculated by dividing total liabilities by total assets. A high asset-liability ratio means that the debt burden of enterprises is relatively heavy and the pressure of debt repayment is great. On the one hand, this may limit the financial strength of enterprises to further invest and expand in overseas markets, such as the inability to build new factories and expand marketing channels in emerging international markets; on the other hand, under the pressure of creditors, the enterprise strategy tends to be conservative and does not dare to boldly invest resources to develop overseas business, which has a negative impact on overseas performance. Enterprise scale: Expressed by the logarithm of assets, large-scale enterprises usually have abundant resources, can provide capital, manpower, and other aspects of support for overseas expansion, strong anti-risk ability, and have the strength to carry out large-scale overseas mergers and acquisitions, set up R & D centers, accelerate the internationalization process, and improve performance. Listing years use ln(current year - listing year +1) to indicate that, in general, companies with a long listing time are also easy to attract international investment to help internationalization. The growth rate of operating income is equal to the growth rate of operating income divided by the total operating income of the previous year, reflecting the vitality of enterprise business growth. Enterprises with a high growth rate have more funds for overseas expansion, products or services that are recognized by the market, confidence, and strong motivation, and can quickly replicate their business in the international field. The combination of two positions is quantified by the dummy variable method. If the chairman and general manager are the same person, it is recorded as 1; otherwise, it is 0. The combination of the two roles makes decision-making efficient and can respond quickly and seize opportunities in the face of rapid changes in the international market; however, excessive concentration of power may lead to a lack of checks and balances in decision-making, blind investment in overseas projects, or neglect of risks, which has a two-sided impact on overseas performance.

Table 2.
Descriptive Statistical Analysis.

VarName	Obs.	Mean	SD	Min.	Median	Max.
FSTS	39126	0.1051	0.1884	0.0000	0.0000	0.9061
Oversea	39126	0.5032	0.5000	0.0000	1.0000	1.0000
Lev	39126	0.4162	0.2051	0.0555	0.4090	0.8680
Size	39126	22.1434	1.2846	19.9425	21.9457	25.9999
ListAge	39126	1.9893	0.9547	0.0000	2.1972	3.3322
Growth	39126	0.1496	0.3435	-0.5083	0.0892	1.8241
Dual	39126	0.2852	0.4515	0.0000	0.0000	1.0000

As shown in the table, the mean value of "Oversea" (executive team's overseas background) in terms of independent variables is 0.5032, indicating that about half of the executives in the sample have an overseas background, which reflects that enterprises attach some importance to international experience in the composition of senior executives.

The mean value of the dependent variable "FSTS" (enterprise internationalization performance) is 0.1051, that is, the proportion of overseas business income in business income is 10.51% on average, and the maximum value is 0.9061, indicating that there are significant differences in enterprise internationalization performance, and some enterprises' overseas business performance is outstanding.

Among the control variables, the average value of "Lev" (asset-liability ratio) is 0.4162, indicating a moderate level of corporate debt. The average value of "Size" (enterprise size) is 22.1434, and there is a certain difference in size. The average value of "ListAge" (listing years) is 1.9893, and the distribution of listing years is relatively dispersed. The average value of "Growth" (growth rate of operating income) is 0.1496, indicating that the enterprise as a whole has a certain growth; the average value of "Dual" is 0.2852, and about 28.52% of enterprises have the same chairman and general manager.

Table 3.
Correlation Analysis.

	FSTS	Oversea	Lev	Size	List age	Growth	Dual
FSTS	1						
Oversea	0.114***	1					
Lev	-0.021***	-0.024***	1				
Size	0.016***	0.075***	0.501***	1			
ListAge	-0.055*	-0.046***	0.402***	0.422***	1		
Growth	0025***	0.055***	0.058***	0.067***	-0.003	1	
Dual	0.089***	0.010**	-0.159***	-0.183**	-0.252***	0.009***	1

Note: *** p<0.01, ** p<0.05, * p<0.1.

5. Empirical Results and Analysis

5.1. Correlation Analysis

In order to observe the relationship between variables, this paper conducts a correlation test on the variables, and the results are shown in Table 3. Among them, the enterprise size and asset-liability ratio with the highest correlation coefficient is 0.501, indicating that the enterprise size is larger and the debt ratio may be higher. However, in general, the correlation coefficients between explanatory variables, explained variables, and explanatory variables are less than 0.5, and most of them are significant, which proves that there is no multicollinearity between variables.

Table 4.
Regression Analysis.

Variables	**FSTS**	**FSTS**
Oversea	0.0438***	0.0387***
	10.9780)	(9.9595)
Lev		0.0355***
		(2.9344)
Size		0.0132***
		(5.9704)
ListAge		-0.0043*
		(-1.7720)
Growth		0.0033
		(1.1161)
Dual		0.0225***
		(4.6692)
Industry	YES	YES
Year	YES	YES
Constant	-0.0207	-0.3045***
	-1.1458	-6.5202
Observations	39126	39126
R-squared	0.1414	0.1555

Note: *** p<0.01, ** p<0.05, * p<0.1.

5.2. Regression Analysis

In the regression analysis, only the independent variable "Oversea" (the overseas background of the executive team) is selected in column 1. Column 2 introduces control variables such as the asset-liability ratio (Lev), company size (Size), listing years (ListAge), revenue growth rate (Growth), and duality (Dual) on this basis.

According to the regression results, the coefficient of the Oversea variable "oversea" in the two regression columns is 0.0438 and 0.0387 respectively, and both of them are significantly positive under the significance level of 1%. This result strongly indicates that executives with an overseas background can positively promote the internationalization performance of enterprises. The reason may be that their rich experience in internationalization helps enterprises to explore overseas markets and formulate more effective internationalization strategies.

In terms of control variables, the coefficient of "Lev" (asset-liability ratio) is significantly positive, which means that the higher the asset-liability ratio, the better the internationalization performance of the enterprise. One possible explanation is that companies with high debt levels are able to mobilize more resources to invest in overseas operations. The coefficient of "Size" (enterprise size) is significantly positive, indicating that the larger the enterprise size, the more conducive it is to the improvement of international performance, which is due to the significant advantages of large-scale enterprises in resource reserves, brand influence, and other aspects. The coefficient of "ListAge" (listing years) is negative and significant in some cases, which reveals that a long listing period does not necessarily have a positive impact on the internationalization performance of enterprises, perhaps due to the dynamic changes in the market environment, which make established enterprises relatively slow in adjusting their strategies. The coefficient of "Growth" (growth rate of operating income) is not significant, which indicates that the correlation between the growth of operating income and the internationalization performance of enterprises is not obvious. The coefficient of "Dual" is significantly positive; that is, when the chairman and the general manager are the same, the internationalization performance of the enterprise is better, which is probably because the decision-making process is simplified and the decision-making efficiency is greatly improved.

To sum up, factors such as the overseas background of senior executives, asset-liability ratio, enterprise scale, and the combination of the two positions have a significant impact on the internationalization performance of enterprises, while the growth rate of operating income has no significant impact on the internationalization performance of enterprises.

Table 5.
Mechanism Test.

Variables	DT	RDRatio
Oversea	0.0171*	0.3622***
	(1.8991)	(5.1300)
Lev	-0.0210	-4.0224***
	(-0.7104)	(-15.4058)
Size	0.0314***	0.0874**
	(5.3634)	(2.2043)
ListAge	0.0863***	-0.4809***
	(15.1489)	(-10.4808)
Growth	0.0060	-0.3904***
	(0.9534)	(-6.5461)
Dual	0.0094	0.4020***
	(1.0088)	(4.4375)
Industry	-0.4478***	1.9812**
Year	(-3.1239)	(2.0679)
Constant	Yes	Yes
	Yes	Yes
Observations	39126	39126
R-squared	0.1437	0.4744

Note: *** p<0.01, ** p<0.05, * p<0.1.

5.3. Mechanism Test

In this study, the degree of diversification strategy (DT) and R&D investment (RDRatio) are introduced as mechanism variables, aiming to deeply analyze the influence mechanism of the overseas background of executives on enterprise internationalization performance (FSTS), as well as the intermediary role of DT and RDRatio. The specific mechanism analysis results are as follows:

In terms of the relationship between institutional variables and dependent variables, there is a significant correlation between the degree of diversification strategy (DT) and firm internationalization performance (FSTS). The coefficient of DT is 0.0171 and is significant at the corresponding significance level (* indicates a certain significance level), which indicates that the higher the degree of promotion of the diversification strategy of an enterprise, the more likely it is to have a positive promoting effect on its internationalization performance. In other words, diversified operations can open up a broader international market space for enterprises, thus improving their international performance.

The relationship between R&D investment (RDRatio) and enterprise internationalization performance (FSTS) is closer and more significant (*** indicates high significance), and its coefficient is as high as 0.3622. This fully demonstrates that in the process of internationalization of enterprises, research and development investment occupies a pivotal position. The higher the proportion of R&D investment in revenue, the more competitive the company tends to be in the international market and the better its international performance.

In terms of control variables, when DT and RDRatio are included in the model, the influence of other control variables such as asset-liability ratio (Lev) and enterprise size (Size) on enterprise internationalization performance changes slightly, but the overall trend remains unchanged. Among them, the asset-liability ratio (Lev) coefficient is -0.0210, showing a negative correlation, which means that the increase in the asset-liability ratio may have a certain negative impact on the internationalization performance of enterprises, and excessive liabilities may limit the expansion ability of enterprises in the international market. The coefficient of enterprise size (Size) is 0.0314 and significant, indicating that large-scale enterprises are more conducive to improving internationalization performance by virtue of their advantages such as resources and brands. The ListAge coefficient is 0.0863 and significant, indicating that with the increase in listing years, the experience and resources accumulated in the process of internationalization have a positive promoting effect on internationalization performance. In addition, variables such as the growth rate of operating income also affect the internationalization performance of enterprises to varying degrees.

In summary, from the perspective of the influence mechanism, executives with an overseas background can significantly improve the internationalization performance of enterprises by promoting diversification strategies and increasing R&D investments. This research conclusion provides an important theoretical basis and practical guidance for enterprises to rationally allocate executive resources and optimize strategic decision-making in the process of internationalization development.

5.4. Heterogeneity Analysis

Table 6.
Heterogeneity Analysis.

	Firm Scale Heterogeneity	Property Right Heterogeneity
	FSTS	FSTS
Oversea	0.0320***	0.0242***
	(6.6009)	(4.5572)
Big	-0.0039	0.0257***
	(-0.6602)	(4.2736)
Oversea_Big	0.0135**	0.0191***
	(2.1447)	(2.7257)
Lev	0.0353***	0.0404***
	(2.9151)	(3.3307)
Size	0.0121***	0.0152***
	(4.2622)	(6.7614)
ListAge	-0.0043*	0.0007
	(-1.7990)	(0.3001)
Growth	0.0034	0.0004
	(1.1532)	(0.1241)
Dual	0.0224***	0.0172***
	(4.6612)	(3.5494)
_cons	-0.2800***	-0.3673***
	(-4.7989)	(-7.5562)
Year	Yes	Yes
Industry	Yes	Yes
N	39126	39126
Adj. R2	0.1558	0.1608

Note: *** p<0.01, ** p<0.05, * p<0.1.

In today's global business context, the internationalization of enterprises has attracted much attention. The heterogeneity caused by the size of enterprises and the nature of property rights plays a key role in internationalization performance. In terms of the heterogeneity of enterprise size, based on the annual industry median, the interaction item Oversea_Big between the overseas background of the executive team and enterprise size is constructed. Empirical data clearly show that Oversea has a significant positive impact on enterprise internationalization performance (FSTS). The influence coefficient of large-scale enterprises is 0.0320 (t value 6.6009), and that of small-scale enterprises is 0.0242 (t value 4.5572), which shows that the overseas background of senior executives has a significant contribution, and the role of large-scale enterprises with abundant resources is more outstanding, which can build innovation and decision-making platforms for overseas executives with rich resources. This helps enterprises to carry out strategic actions such as exports, mergers and acquisitions, create overseas factories, and promote overseas market expansion and performance improvement. Focusing on the heterogeneity of property rights, enterprises are divided into state-owned enterprises and private enterprises, and Oversea_NSOE is constructed. Data show that Oversea contributes significantly to FSTS, especially for private enterprises. Due to the simplified hierarchy and flexible decision-making of private enterprises, executives with an overseas background can speak freely and quickly perceive and solve internationalization problems. Taking a private enterprise with a quick market response as an example, senior executives adjusted their strategies in time and achieved a 30% increase in overseas sales in the peak season.

In summary, from the perspective of scale, large-scale enterprises are more able to leverage the innovation and decision-making power of overseas executives, thereby leading enterprises to implement a series of breakthrough strategic deployments such as exports, overseas mergers and acquisitions, and the establishment of overseas factories, which in turn improves international performance. From the perspective of property rights, in private enterprises, executives with overseas backgrounds are more free to express their views and point out the problems existing in the process of internationalization in real time, helping enterprises reduce obstacles in the process of internationalization and enhance their internationalization performance.

6. Conclusion

In conclusion, the overseas background of the senior management team is of great significance in promoting the internationalization performance of Chinese enterprises. Those executives with an overseas background, with their rich international vision and experience, on the one hand, can actively promote the implementation of diversification strategies, expand the international market field, and increase market share; on the other hand, it will also vigorously promote enterprises to increase investment in research and development, introduce international cutting-edge technologies and concepts, improve the competitiveness of enterprise products and services, and then significantly improve the internationalization performance of enterprises. In terms of scale, large-scale enterprises are more able to leverage the innovation and decision-making power of overseas executives, leading enterprises to carry out a series of breakthrough strategic deployments such as exports, overseas mergers and acquisitions, and the creation of overseas factories, thereby improving international performance. From the perspective of property rights, in private enterprises, executives with an overseas background are more free to express their own views and point out the problems existing in the process of internationalization in real time, helping enterprises reduce stumbling blocks in the process of internationalization and improve their internationalization performance.

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